



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-900]

Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review: 2010-2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on diamond sawblades and parts thereof ("diamond sawblades") from the People's Republic of China ("PRC"). The period of review ("POR") is November 1, 2010 through October 31, 2011. The Department has preliminarily determined that certain companies covered by this review made sales of subject merchandise at less than normal value.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun or Michael A. Romani, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5760 and (202) 482-0198, respectively.

Scope of the Order

The products covered by the order are all finished circular sawblades, whether slotted or not, with a working part that is comprised of a diamond segment or segments, and parts thereof, regardless of specification or size, except as specifically excluded below. Within the scope of the order are semifinished diamond sawblades, including diamond sawblade cores and diamond

sawblade segments. Diamond sawblade cores are circular steel plates, whether or not attached to non-steel plates, with slots. Diamond sawblade cores are manufactured principally, but not exclusively, from alloy steel. A diamond sawblade segment consists of a mixture of diamonds (whether natural or synthetic, and regardless of the quantity of diamonds) and metal powders (including, but not limited to, iron, cobalt, nickel, tungsten carbide) that are formed together into a solid shape (from generally, but not limited to, a heating and pressing process).

Sawblades with diamonds directly attached to the core with a resin or electroplated bond, which thereby do not contain a diamond segment, are not included within the scope of the order. Diamond sawblades and/or sawblade cores with a thickness of less than 0.025 inches, or with a thickness greater than 1.1 inches, are excluded from the scope of the order. Circular steel plates that have a cutting edge of non-diamond material, such as external teeth that protrude from the outer diameter of the plate, whether or not finished, are excluded from the scope of the order. Diamond sawblade cores with a Rockwell C hardness of less than 25 are excluded from the scope of the order. Diamond sawblades and/or diamond segment(s) with diamonds that predominantly have a mesh size number greater than 240 (such as 250 or 260) are excluded from the scope of the order. Merchandise subject to the order is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 of the HTSUS. On October 11, 2011, the Department included the 6804.21.00.00 HTSUS classification number to the customs case reference file, pursuant to a request by U.S.

Customs and Border Protection (“CBP”).¹ The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

Fraud Allegation

The petitioner, Diamond Sawblades Manufacturers’ Coalition, alleges that Chinese and Korean producers of diamond sawblades sold subject merchandise in the United States bearing a false country of origin designation and requests that the Department take information related to this allegation into consideration in both the first and second administrative reviews. We continue to examine this allegation. The Department recently completed verifications in the first administrative review at which the facts surrounding the fraud allegation were examined thoroughly. We intend to release the verification reports and issue a post-preliminary analysis addressing the fraud allegation.

Methodology

The Department has conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (“the Act”). Export price and constructed export price have been calculated in accordance with section 772 of the Act. Because the PRC is a nonmarket economy (“NME”) within the meaning of section 771(18) of the Act, normal value has been calculated in accordance with section 773(c) of the Act. Specifically, the respondents’ factors of production have been valued in Thailand, which is economically comparable to the PRC and is a significant producer of comparable merchandise. The financial ratios were derived from the financial statements of a producer of comparable merchandise in the Philippines, which is economically comparable to the PRC.

¹ See *Diamond Sawblades and Parts Thereof From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011).

For a full description of the methodology underlying our conclusions, *see* “Decision Memorandum for Preliminary Results of 2010-2011 Antidumping Duty Administrative Review: Diamond Sawblades and Parts Thereof from the People’s Republic of China” from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration, dated December 3, 2012 (“Preliminary Decision Memorandum, hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <https://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Affiliation and Treatment of Affiliated Parties as a Single Entity

For the preliminary results of review, we find that Advanced Technology & Materials Co., Ltd. (“ATM”), Beijing Gang Yan Diamond Products Company (“BGY”), and HXF Saw Co., Ltd.² (“HXF”) are affiliated.³ Additionally, we preliminarily find that BGY and Cliff (“Tianjin”) International Ltd. (“Cliff”) are affiliated and that ATM and AT&M International Trading Co., Ltd. (“ATMI”) are affiliated. Therefore, in these preliminary results the “ATM Single Entity” consists of ATM, ATMI, BGY, Cliff, and HXF.⁴

² *See* letter to the Secretary of Commerce dated February 27, 2012, entitled “Diamond Sawblades from the People’s Republic of China: No Shipment Certification”

³ *See Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 FR 29303, 29304, 29306-07 (May 22, 2006).

⁴ For a full discussion of these companies’ affiliation status, *see* the memorandum entitled “Diamond Sawblades and Parts Thereof from the People’s Republic of China: ATM Single Entity,” dated December 3, 2012.

Withdrawal of Request for Review

We received a letter of withdrawal from Danyang Hantronic Import & Export Co., Ltd. (“Danyang Hantronic”), with respect to the review.⁵ Because Danyang Hantronic has not previously received a separate rate, we are not rescinding this review. While the request for review for this company was timely withdrawn, the company remains part of the PRC-wide entity.

Preliminary Determination of No Shipments

Qingdao Shinhan Diamond Industrial Co., Ltd. (“Qingdao Shinhan”), which has a separate rate, reported that it did not have any exports of subject merchandise during the POR.⁶ This is consistent with the CBP data for the POR, which showed no evidence of imports from this company.⁷ Additionally, we requested that CBP report any contrary information. To date, CBP has not responded to our inquiry and we have not received any evidence that this entity had any shipments to the United States of subject merchandise during the POR.⁸ Consistent with the Department’s recently announced refinement to its assessment practice in NME cases regarding no shipment claims, we are completing the review with respect to Qingdao Shinhan, and will issue appropriate instructions to CBP based on the final results of the review.⁹

⁵ See the letter from Danyang Hantronic dated March 28, 2012.

⁶ See the no shipment letter filed by Qingdao Shinhan on February 28, 2012.

⁷ See the memorandum entitled “Diamond Sawblades and Parts Thereof from the People’s Republic of China – placing CBP Data on the record of this review” dated January 6, 2012.

⁸ CBP only responds to the Department’s inquiry when there are records of shipments from the company in question. See, e.g., *Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Flat Products From Brazil: Notice of Rescission of Antidumping Duty Administrative Review*, 75 FR 65453, 65454 (October 25, 2010).

⁹ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011) and the “Assessment Rates” section below.

We also received a no shipment claim from China Iron & Steel Research Institute Group (“CISRI”)¹⁰ which does not have a separate rate. Because CISRI does not have a separate rate and remains part of the PRC entity, we are not addressing its no shipment claim.

Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margins exist:

<u>Exporter</u>	<u>Margin (percent)</u>
Advanced Technology & Materials Co., Ltd.	0.00
AT&M International Trading Co., Ltd.	0.00
Beijing Gang Yan Diamond Products Co. ¹¹	0.00
Bosun Tools Co., Ltd. ¹²	35.09
Chengdu Huifeng Diamond Tools Co., Ltd.	35.09
Cliff International Ltd.	0.00
Danyang Huachang Diamond Tools Manufacturing Co., Ltd.	35.09
Danyang NYCL Tools Manufacturing Co., Ltd.	35.09
Danyang Weiwang Tools Manufacturing Co., Ltd.	35.09
Guilin Tebon Superhard Material Co., Ltd.	35.09
Hangzhou Deer King Industrial & Trading Co., Ltd.	35.09

¹⁰ See the no shipment letter filed by CISRI on February 27, 2012.

¹¹ Beijing Gang Yan Diamond Products Co. reported that Gang Yan Diamond Products Inc., a company for which we initiated this review in *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 76 FR 82268, 82271 (December 30, 2011) (*Initiation Notice*), is its U.S. affiliate. See the ATM Single Entity’s section A response dated March 19, 2012, at page A-1.

¹² Bosun Tools Co., Ltd. was previously known as Bosun Tools Group Co., Ltd., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82270. See *Diamond Sawblades and Parts Thereof From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Intent To Rescind Review in Part*, 76 FR 76135, 76137 (December 6, 2011). Also, Bosun Tools Co., Ltd., reported that Bosun Tools Inc., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82271, is its U.S. affiliate. See Bosun Tools Co., Ltd.’s separate rate application dated February 28, 2012, at 4.

Hebei Husqvarna-Jikai Diamond Tools Co., Ltd. ¹³	35.09
Huzhou Gu's Import & Export Co., Ltd.	35.09
HXF Saw Co., Ltd. ¹⁴	0.00
Jiangsu Fengtai Diamond Tool Manufacture Co., Ltd.	35.09
Jiangsu Inter-China Group Corporation ¹⁵	35.09
Jiangsu Youhe Tool Manufacturer Co., Ltd. ¹⁶	35.09
Quanzhou Zhongzhi Diamond Tool Co. Ltd.	35.09
Rizhao Hein Saw Co., Ltd.	35.09
Saint-Gobain Abrasives (Shanghai) Co., Ltd. ¹⁷	35.09
Shanghai Robtol Tool Manufacturing Co., Ltd.	35.09
Weihai Xiangguang Mechanical Industrial Co., Ltd.	35.09
Wuhan Wanbang Laser Diamond Tools Co.	35.09
Xiamen ZL Diamond Technology Co., Ltd. ¹⁸	35.09
Zhejiang Wanli Tools Group Co., Ltd.	35.09
PRC-Wide Entity ¹⁹	164.09

¹³ Hebei Husqvarna-Jikai Diamond Tools Co., Ltd., reported that Husqvarna Construction Products North America, Inc., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82271, is its U.S. affiliate. *See* Hebei Husqvarna-Jikai Diamond Tools Co., Ltd.'s separate rate application dated February 24, 2012, at 18 and Appendix A.

¹⁴ Yichang HXF Circular Saw Industrial Co., Ltd., changed its name to HXF Saw Co., Ltd. *See* the ATM Single Entity's October 5, 2012, response at Exhibit SA-9.

¹⁵ Jiangsu Inter-China Group Corporation was previously known as Zhenjiang Inter-China Import & Export Co., Ltd., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82271. *See* Jiangsu Inter-China Group Corporation's August 6, 2012, supplemental separate rate application at Exhibit S-1.

¹⁶ Jiangsu Youhe Tool Manufacturer Co., Ltd., was previously known as Danyang Youhe Tool Manufacturer Co., Ltd., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82271. *See* Jiangsu Youhe Tool Manufacturer Co., Ltd.'s February 28, 2012, separate rate application at 4 and Exhibit 1.

¹⁷ Saint-Gobain Abrasives (Shanghai) Co., Ltd. reported that Saint-Gobain Abrasives Inc., a company for which we initiated this review in *Initiation Notice*, 76 FR at 82271, is its U.S. affiliate. *See* Saint-Gobain Abrasives (Shanghai) Co., Ltd.'s February 28, 2012, separate rate application at 9.

¹⁸ Xiamen ZL Diamond Technology Co., Ltd., stated in its separate rate application that its name before the POR was Xiamen ZL Diamond Tools Co., Ltd., for which we initiated this review in *Initiation Notice*, 76 FR at 82271. *See* Xiamen ZL Diamond Technology Co., Ltd.'s February 22, 2012, separate rate application at 2.

¹⁹ The deadline to file a separate rate application, separate rate certification, or a notification of no sales, exports or

Disclosure and Public Comment

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit written comments no later than 30 days after the date of publication of these preliminary results of review.²⁰ Rebuttals to written comments may be filed no later than five days after the written comments are filed.²¹

Any interested party may request a hearing within 30 days of publication of this notice.²² Hearing requests should contain the following information: (1) the party's name, address, and telephone; (2) the number of participants; and (3) a list of issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.²³

The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

entries is 60 days after the initiation of the administrative review, which in this case was February 28, 2012. Therefore, as of February 29, 2012, the remaining companies under review that did not demonstrate eligibility for a separate rate effectively became part of the PRC-wide entity. Accordingly, the PRC-wide entity includes the following companies: Central Iron and Steel Research Institute Group, CISRI, Danyang Aurui Hardware Products Co., Ltd., Danyang Dida Diamond Tools Manufacturing Co., Ltd., Danyang Hantronic, Danyang Tsunda Diamond Tools Co., Ltd., Danyang Youmei Tools Co., Ltd., Electrolux Construction Products (Xiamen) Co. Ltd., Fujian Quanzhou Wanlong Stone Co., Ltd., Hebei Jikai Industrial Group Co., Ltd., Hua Da Superabrasive Tools Technology Co., Ltd., Huachang Diamond Tools Manufacturing Co., Ltd., Jiangsu Fengyu Tools Co., Ltd., Jiangyin Likn Industry Co., Ltd., Protech Diamond Tools, Pujiang Talent Diamond Tools Co., Ltd., Quanzhou Shuangyang Diamond Tools Co., Ltd., Shanghai Deda Industry & Trading Co., Ltd., Shijiazhuang Global New Century Tools Co., Ltd., Sichuan Huili Tools Co., Task Tools & Abrasives, Wuxi Lianhua Superhard Material Tools Co., Ltd., Zhejiang Tea Import & Export Co., Ltd., Zhejiang Wanda Import and Export Co., Zhejiang Wanda Tools Group Corp., Zhejiang Wanli Super-hard Materials Co., Ltd., and Wanli Tools Group.

²⁰ See 19 CFR 351.309(c).

²¹ See 19 CFR 351.309(d).

²² See 19 CFR 351.310(c).

²³ See 19 CFR 351.310(d).

Deadline for Submission of Publicly Available Surrogate Value Information

In accordance with 19 CFR 351.301(c)(3)(ii), the deadline for submission of publicly available information to value factors production under 19 CFR 351.408(c) is 20 days after the date of publication of these preliminary results. In accordance with 19 CFR 351.301(c)(1), if an interested party submits factual information less than ten days before, on, or after (if the Department has extended the deadline), the applicable deadline for submission of such factual information, an interested party may submit factual information to rebut, clarify, or correct the factual information no later than ten days after such factual information is served on the interested party. However, the Department generally will not accept in the rebuttal submission additional or alternative surrogate value information not previously on the record, if the deadline for submission of surrogate value information has passed.²⁴ Furthermore, the Department generally will not accept business proprietary information in either the surrogate value submissions or the rebuttals thereto, as the regulation regarding the submission of surrogate values allows only for the submission of publicly available information.²⁵

Assessment Rates

Upon issuing the final results of review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.²⁶ If a respondent's weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent) in the final results of this review, we will calculate an importer-specific assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales and the total entered value of those sales in accordance with 19 CFR 351.212(b)(1). Specifically, the the Department will

²⁴ See, e.g., *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 52 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

²⁵ See 19 CFR 351.301(c)(3).

²⁶ See 19 CFR 351.212(b)(1).

apply the assessment rate calculation method adopted in *Final Modification for Reviews*, *i.e.*, on the basis of monthly average-to-average comparisons using only the transactions associated with that importer with offsets being provided for non-dumped comparisons.²⁷ Where an importer- (or customer-) specific *ad valorem* rate is zero or *de minimis*, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.²⁸

The Department recently announced a refinement to its assessment practice in NME cases. Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the PRC-wide rate. In addition, if the Department determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the PRC-wide rate.²⁹ The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for subject merchandise exported by the ATM Single Entity, Weihai, and non-selected respondents which have separate rates, the cash deposit rate will be that established in the final results of review (except, if the rate is zero or *de*

²⁷ See *Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012) ("*Final Modification for Reviews*").

²⁸ See 19 CFR 351.106(c)(2).

²⁹ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

minimis, then zero cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

December 3, 2012
Date

List of Topics Discussed in the Preliminary Decision Memorandum

FRAUD ALLEGATION

Non-Market Economy Country Status

Separate Rate

Separate Rate Respondent

- 1) *Wholly Foreign-Owned*
- 2) *Joint Ventures Between Chinese and Foreign Companies or Wholly Chinese-Owned Companies*
- 3) *Separate Rate for Non-Selected Companies*
- 4) *PRC-Wide Entity*

Surrogate Country

AFFILIATION

FAIR VALUE COMPARISON

U.S. Price

Export Price Sales

Constructed Export Price Sales

Further Manufactured Sales

Revenue Caps

Normal Value

Factor Valuations

CURRENCY CONVERSION

[FR Doc. 2012-29786 Filed 12/07/2012 at 8:45 am; Publication Date: 12/10/2012]